separate Audit Commission to audit the accounts of. the banks is not considered necessary

Bad Debts of Banks

6454. SKRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to ban those groups of companies and industrial houses which owe banks over Rs. 1 crore or more and which have been written off as bad debts, from further operations;

(b) whether Government also propose, as further punitive measure, to ban these companies, industrial houses, from funding capital markets and also prohibit them from opening private banks, Insurance company, etc;

(c) if so, by when these measures are likely to be made operative; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) The Reserve Bank of India (RBI) has reported that there is no such proposal at present. However, under the 'Group Approach' concept. RBI has already issued instructions to banks and financial institutions that wherever within a "group" there is a company which is wilful defalter to a bank/financial institution. the concerned bank/financial institution should invoke the group approach and inform all other banks/financial institutions cautioning them about making available further advances to such groups for the purpose of expansion or diversification.

(b) to (d). RBI has reported that while examining proposals for setting up new banks in the private sector, antecedents of the promoter companies and individuals are carefully looked into. Default in repayment of banks' dues will be taken into consideration in evaluating the antecedents of the promoter companies.

RBI has also issued guideline to all scheduled commercial banks and financial institutions on 23rd April, 1994 with regard to disclosure of information regarding defaulting borrowers of banks and financial institutions. These guidelines, *inlet aha,* provide for submission by banks and financial institutions to RBI the details borrowal accounts which have been classified as Doubtful, Loss and Suit-filed win outstanding (both funded and non-funded) aggregating to Rs 1 crore and above, and circulation by RBI to banks and financial institutions of this information which they may make use of while considering on merits the requests for new additional credit limits by existing and new constituents. Based on the information so collected, RBI would publish every year in a booklet form the list of suit-*'<!ed. accounts and also an update -of i he list half-yearly. Government also do not at present have any proposal to deny such defaulting groups *at* companies access to the capital markets.

Arid-inflationary Package

6455. SHRI SYED SIBTEY RAZI: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to work out a crash anti-inflationary package very soon;

(b) if so, the details thereof, with background for such package;

(c) whether some expectations are attached to this package;

(d) if so, the details thereof and if not, the reasons therefor;

(e) whether these measures will reduce the concern of Government towards increasing inflation in the country; and

(f) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (f). To keep a close watch on behaviour of prices Government have set up the followings:

(i) Cabinet Committee on prices.

(ii) Special Action Committee of Secretaries on monitoring of prices.

(iii) Inter-Ministrial Coordination Committee for Monitoring and Forecast of Supply and Prices of essential commodities. These bodies meet at regular rntervals to assess the emerging price situation and to decide upon the measures to meet the situation some of the steps taken recently include:

i. Placing of sugar and cotton on OGL with zero import duty

ii. Placing of import of palmolein on OGL with 65% duty.

iii. Continuation of open market sale of wheat and rice by FC1 with a view to dampen the rise in foodgrain price.

iv. Strict monitoring of the growth of fiscal deficit and money supply.

Customs Duty on Antibiotics

6456. SHRI JAGIR SINGH DARD: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that intermediate use of manufacturing of anti-biotics, except Erthromycin Thiocyanate, carry concessional rate of customs duty of 50 per cent against 98 per cent;

(b) whether it also a fact that Erthromycin Thiocyanate carried a customs duty of 80 per cent + CVD in the last Financial year; and

(c) the reasons for discrimination which has led to increase in customs duty on this intermediate only?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) No, Sir. Only specified chemicals for manufacture of antibiotics attract concessional customs duty of 50% and countervailing duty of 20%.

(b) and (c). Erythromycin Thiocyanate carried a customs duty of 50% + CVD in last financial year. In this year's budget, the customs duty structure on drugs and drug intermediates/raw materials was rationalised with a view to provide a graded duty structure fay prescribing lowest rates for the basic raw materials and the highest rate for the penultimate stage drug intermediates to encourage production of bulk drugs from more basic stage in the country This has retailed in increase in customs duty on Erythromycin Thiocyanate and several other drug intermediates.

Strike by Bankers Employees

6457. SHRI IQBAL SINGH; Will the Minister of FINANCE be pleased to refer to answer to Starred Question 321 given in the Rajya Sabba on the 19th April, 1994 and state:

(a) what action Government propose to take against the employees of RBI who went on mass casual leave and against the employees of banks who went on strike on the 8th April, 1994; and

(b) what steps Government propose to take to avoid such strikes in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b). Reserve Bank of Inida has reported that it proposes to effect wage cut in respect of those employees who participated in the mass casual leave programme on 8.4.94. It also proposes to take disciplinary action against all such employees of the bank who. had caused/ incited indiscipline or behaved in an unruly manner, under the relevant